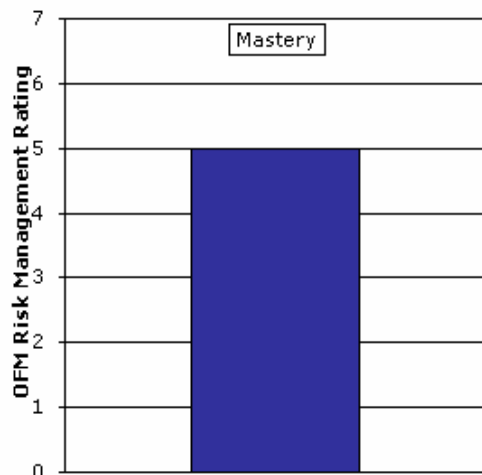


**DRAFT DOT 2007 Risk Management
Maturity as Rated by OFM**

Source: OFM Risk Management Division

Data Comments: Score Based on Recently Updated Criteria

Analysis

Best Practices and Accomplishments

- Issued an Executive order in July 2006 recognizing employee safety as the department's highest priority. Established an executive level cross agency Safety and Health Policy Committee and supporting Advisory Committee to review employee safety issues.
- Established extensive defensive driver training and accident review procedures and is achieving reduced auto liability payouts. (average annual payouts for FYs 04-06 down by 31% from FYs 98-03)
- Established guidelines for work zone traffic control in January 2007 to reduce accidents.
- Emphasis on environmental protection in highway construction and operation.
- Extensive Quality Assurance /Quality Control process for construction materials. Use Cost Estimate validation Process (CEPV) to manage risk associated with complex highway construction projects.
- Implemented Workforce Analysis Plan to recruit and retain staff
Utilized a risk assessment approach to allocate audit resources
- Established a Washington State Ferry Safety Management System in 1998 for international route operations and in 2001 for all domestic route operations which is recognized as a leading risk-based maritime management system

DOT Risk: ERM Action Plan

What	Who	When	Status
Incorporate risk management analysis and strategies into operations.	Secretary – Policy, Risk Management - Procedures	12/31/2007	In Progress
Agency will establish an ERM Committee. Committee will report to the Secretary.	Secretary	9/30/2007	In Progress
Secretary will issue an Executive Order defining ERM as a strategic practice of the organization.	Secretary	9/30/2007	In Progress
Enterprise Risk management will be a standing and recurring item on the executive leadership meeting agendas.	Assistant Secretary Finance and Administration	5/31/2007	In Progress

DRAFT Risk Management Best Practices and Action Plan

Department of Transportation

Best Practices and Accomplishments

- Issued an Executive order in July 2006 recognizing employee safety as the department's highest priority. Established an executive level cross agency Safety and Health Policy Committee and supporting Advisory Committee to review employee safety issues
- Established extensive defensive driver training and accident review procedures and is achieving reduced auto liability payouts (average annual payouts for FYs 04-06 down by 31% from FYs 98-03)
- Established guidelines for work zone traffic control in January 2007 to reduce accidents
- Emphasis on environmental protection in highway construction and operation
- Extensive Quality Assurance /Quality Control process for construction materials. Use Cost Estimate validation Process (CEPV) to manage risk associated with complex highway construction projects.
- Implemented Workforce Analysis Plan to recruit and retain staff
- Utilized a risk assessment approach to allocate audit resources
- Established a Washington State Ferry Safety Management System in 1998 for international route operations and in 2001 for all domestic route operations which is recognized as a leading risk-based maritime management system

Agency Self Assessment: Level 5

OFM-RMD Assessment: Level 4

DOT is assessed at a strong Level 4. At level 4, most risks are managed. Our assessment differs from the agency self assessment as several key elements have not been addressed, such as the completion of an agency wide risk assessment and risk mapping, conducting a risk assessment for all new or potential programs prior to implementation, and placing emphasis on employee awareness of risk management principles.

Agency Identified Action Plan

Action: All agency divisions will incorporate risk management analysis and strategies into their operations

When: By December 31, 2007

Who: Secretary – Policy, Risk Management - Procedures

Action: Agency will establish an ERM Committee. Committee will report to the Secretary

When: By September 30, 2007

Who: Secretary

Action: Secretary will issue an Executive Order defining ERM as a strategic practice of the organization

When: by July 1, 2007

Who: Secretary

Action: Enterprise Risk management will be a standing and recurring item on the executive leadership meeting agendas

When: May 2007

Who: Assistant Secretary Finance and Administration